

# **FISCAL NOTE**

Nonpartisan Services for Colorado's Legislature

**Drafting Number:** LLS 19-0300 **Date:** January 28, 2019 **Prime Sponsors:** Sen. Zenzinger; Tate Bill Status: Senate SVMA

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EXPAND DISCLOSURE ELECTIONEERING COMMUNICATIONS **Bill Topic:** 

Summary of State Revenue (minimal) ☑ TABOR Refund (minimal)

 State Expenditure (minimal) **Fiscal Impact:** □ Local Government □ State Transfer □ Statutory Public Entity

> This bill expands the definition of electioneering communication and requires certain disclosures from persons spending more than \$1,000 on electioneering communications. The bill potentially increases state revenue and expenditures by

a minimal amount in FY 2019-20 and future years.

**Appropriation** Summary:

No appropriation is required.

**Fiscal Note** Status:

This fiscal note reflects the introduced bill.

## **Summary of Legislation**

Under current law, electioneering communication means communication that unambiguously refers to a candidate and is broadcast, printed, mailed, or delivered by hand within 30 days of a primary election and within 60 days of a general election. This bill changes this time frame to include communications that occur at any point between the primary election and general election. It also requires any person spending \$1,000 or more per year on electioneering communications or regular biennial school electioneering communications to disclose the name of the person making the communication.

#### State Revenue

Beginning in FY 2019-20, this bill potentially increases fine revenue from violations relating to electioneering communications by a minimal amount. Specifically, the Department of State may assess a fine for the failure to properly identify the name of the person making the communication or to properly disclose electioneering communications made between the primary election and the General Election in a timely manner. Fine revenue is deposited in the Department of State Cash Fund. This analysis assumes a high level of compliance by individuals making electioneering communications; therefore, any fine revenue collected will be minimal. Fine revenue collected by the Department of State is subject to TABOR.

# **State Expenditures**

Beginning in FY 2019-20, this bill minimally increases workload in the Department of State to process complaints of electioneering communication campaign finance violations. Any cases referred to the Office of Administrative Courts for an Administrative Law Judge hearing increases workload in the Department of Personnel and Administration. Costs will increase to pay for the hearing from funds reappropriated from the Department of State Cash Fund. Any increase in workload and costs is expected to be minimal and can be accomplished within existing appropriations.

**TABOR Refund.** The bill is expected to minimally increase state General Fund obligations for TABOR refunds in FY 2019-20. Under current law and the December 2018 forecast, the bill will correspondingly increase the amount refunded to taxpayers via sales tax refunds on income tax returns for tax year 2020. The state is not expected to collect a TABOR surplus in FY 2020-21.

## **Departmental Difference**

The Department of State estimates that this bill will have no fiscal impact. Pursuant to fiscal note policy, this analysis includes a description of the potential revenue and expenditures impacts of the bill, even if they are assumed to be minimal.

#### **Effective Date**

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

### **State and Local Government Contacts**

Personnel Secretary of State